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TAGS: PGOV ECON PHUM MD

SUBJECT: MOLDOVA MEDIA MACHINATIONS

Classified By: Ambassador Michael D. Kirby for reasons 1.4 (b) and (d)

¶1. (C) On November 17, John Maxemchuk (protect), General Director of Sun Communications, an American joint-venture cable and internet service provider, told Econoff of a request made to his company to stop the transmission of television channels that compete with pro-President Voronin television channels. (NOTE: Maxemchuk is also the founding President of the American Chamber of Commerce in Moldova. He is well and favorably known to the Embassy. END NOTE.)

¶2. (C) Maxemchuk told Econoff that his Moldovan partner received a call from Vladimir Plahotniuc, General Director of Petrom-Moldova, and Chairman of the Board of Victoriabank, regarding Sun's problems with the National Agency for the Protection of Competition (ANPC). (NOTE: Moldova's newly established ANPC recently ruled against Sun's cable operations. END NOTE.) Plahotniuc, a close business associate of Oleg Voronin, President Vladimir Voronin's son, offered to make Sun's problems with ANPC go away - for a price. Plahotniuc said his associates wanted Sun to stop the transmission of three Russian television channels broadcast via Sun's cable system, NTV, TNT and STS. According to Maxemchuk, Plahotniuc indicated that his business associates separately hoped to acquire the rights for the three television channels. The son of former Moldovan President Petru Luchinschi controls the re-broadcast rights for NTV and TNT; a lesser known Moldovan businessman controls the re-broadcast of STS. We believe Plahotniuc didn't want competition from these three channels for Russia's Channel One (ORT) in Moldova and the Moldovan NIT channel. It is widely believed that Oleg Voronin owns the re-broadcast rights for ORT, and NIT is overwhelmingly pro-President Voronin.

¶3. (C) Sun has 75,000 cable subscribers (about 50% of the market share) in Chisinau, and competes with 15 smaller cable companies. According to national media ratings, Maxemchuk noted, the top five foreign and domestic television channels in Moldova are: ORT, STS, NIT, Moldova One (state television), and NTV. If Oleg Voronin and associates succeed in shutting down the re-broadcast of these television channels, or if they acquire the rights to re-broadcast NTV, TNT and STS, the financial benefits from advertising would be great. Additionally, President Voronin and his son would dominate broadcast media in the run-up to the 2009 national elections.

¶4. (C) COMMENT: Maxemchuk and his partner rebuffed Plahotniuc's request. Maxemchuk was worried about the influence of Oleg Voronin's associates and the possible repercussions for his decision not to cooperate on his own business. Maxemchuk was also concerned about the future of broadcast media in Moldova. This case might provide insight

into President Voronin and the Communist Party's (PCRM) thinking ahead of the 2009 election. If the PCRM believes defeat is likely (based on the results of the June local elections), perhaps the Voronin clan believes that acquiring control of the most important media - television - will help mitigate the risk. Alternatively, the Voronin family and its close associates may simply wish to fatten their pockets further during their remaining time in power.

KIRBY